

Site: ORONO GO  
ID #: NO098068625/  
Break: 11-11  
Other: \_\_\_\_\_  
2-28-1948 0736  
LV

40121205



SUPERFUND RECORDS

7 8  
Box  
43/

Joplin, Missouri  
February 28, 1948

Mr. Andrew Fletcher, President,  
Kansas Explorations, Inc.,  
250 Park Avenue,  
New York 17, New York.

Dear Mr. Fletcher:

I transmit herewith Annual Report of  
the Kansas Explorations, Incorporated, for the  
year 1947.

Respectfully submitted,

*Rosa Blake,*  
Manager

ANNUAL

REPORT

OF

KANSAS

EXPLORATIONS

INCORPORATED

JOPLIN

MISSOURI

1947

ANNUAL

REPORT

OF

KANSAS EXPLORATIONS, INCORPORATED

YEAR 1947

The operations of the Kansas Explorations, Inc. were carried on continuously at the Buckingham Unit consisting of the Buckingham Mine and the Snapp Mill throughout the year. The Ritz property operated until October 10, 1947. The ore was treated by the Eagle Picher Mining and Smelting Company at their Central Mill, under a special Milling Contract. The Jasper property operated until August 8, 1947, being closed when it was definitely determined that the metal subsidies would not be continued at that time.

The base price of zinc concentrates remained at \$64.00 per ton from January 1, 1947, until July 31, 1947. Subsidies on zinc and lead concentrates were removed June 30, 1947 and the base price of zinc concentrates was increased to \$70.35 per ton August 1, 1947 and remained at this figure throughout the remainder of the year. The base price of lead concentrates was \$160.50 per ton at January 1, 1947. On January 7, the Metal price of lead was advanced to 12.80 cents per

pound East St. Louis, and the price of lead concentrates was advanced to \$166.85 per ton. This price continued until February 25 when the Metal price was advanced to 13.80 cents per pound East St. Louis and the base price of lead concentrates was advanced to \$181.25 per ton. On March 4, the Metal price was advanced to 14.80 cents per pound East St. Louis resulting in an increase in the base price of lead concentrates to \$195.65 per ton. The price of lead concentrates remained at this figure throughout the balance of the year, 1947.

When the Metal price of lead reached 14.75 cents per pound, New York, no subsidy was received for lead production. Therefore the Kansas Explorations, Inc. received no Over-Quota Premiums on lead production after March 1, 1947. Also any increase in the price of zinc resulted in a decrease in Over-Quota Premium payments on zinc production. All subsidies on both lead and zinc production were discontinued on June 30, 1947 resulting in the closing of the Jasper property as of August 9, 1947. The Ritz property continued operations until October 10, 1947 without the benefit of subsidies after June 30, 1947.

**LIST OF LEASES AND TRACTS OWNED IN FEE  
AS OF DECEMBER 31, 1947**

NUMBER	NAME	ACRES	STATE	LANDOWNERS ROYALTY
<u>RITZ UNIT</u>				
1012	Ritz	60	Oklahoma	12½
<u>DARDENNE UNIT</u>				
974½	Dardenne	40	Oklahoma	7½
<u>JASPER UNIT</u>				
Owned in Fee	Jasper	310	Missouri	1% on 160 acres
<u>SNAPP UNIT</u>				
Owned in Fee	Snapp	55	Missouri	0
<u>BUCKINGHAM UNIT</u>				
977	Buckingham	140	Missouri	7½%
1001	Gibson, Etal.	120	Missouri	7½%
1002	Robinson	10	Missouri	7½%
1009	Aylor	40	Missouri	7½%
1011	Boyd	80	Missouri	7½%
979	Cushman	80	Missouri	7½%
989	H. Q. Weaver	80	Missouri	7½%
992	Weaver	80	Missouri	7½%
1013	Marsh	102	Missouri	7½%
	Total	692		

Total acres 1157

During 1948, we do not contemplate payment of any rentals on any of the above tracts with the exception of Lease No. 1013, Marsh Tract, containing 102 acres which land adjoins the Buckingham Tract on the East.

RITZ            UNIT  
1947

The Ritz Lease is located in Ottawa County,  
Oklahoma, and contains 60 acres. It is operated under  
a  $12\frac{1}{2}\%$  royalty lease from the Indian Department, of  
the Department of the Interior.

RITZ            UNIT  
1947

The Ritz Unit was operated one 8-hour shift per day six days per week, until October 10, 1947 at which time all operations were suspended. Subsidies had been discontinued June 30, 1947 and the ore tonnage and grade of ore available for mining at current prices had decreased until operations could no longer be continued at a profit. During the 1947 operating period all ore produced was custom milled by the Eagle Picher Mining and Smelting Company at their Central Mill.

During the year the Big Chief Tailing Company treated 115378 tons of the Ritz tailings and slimes. The Kansas Explorations, Inc. was to receive 25% of the net profits from the treatment of these tailings, but as the grade of the tailings was so low, they were unable to show a profit and the retreatment of the tailings was discontinued in October, 1947 and no income was received by Kansas Explorations, Inc.

The Company also received \$2277.64 which was their share of the profits of salvaging the ore which remained in and around the Ritz Mill after the fire which destroyed the mill on June 14, 1946.



At the Ritz Unit, during 1947, a total rock tonnage of 37,431 tons was hoisted, and a total of 37,582 rock tons were Custom Milled by the Eagle Picher Mining & Smelting Company. From the total tonnage, 1578.182 tons of zinc concentrates and 346.802 tons of lead concentrates were recovered. The entire tonnage of rock during 1947 yielded a recovery of 4.20% in the form of zinc concentrates and .92% in the form of lead concentrates or a total zinc and lead concentrate recovery of 5.12%. During the operating period, 7,269 man shifts were employed in operations. Each man shift averaging a production of 5.1 rock tons or the equivalent of .26 tons of zinc and lead concentrates. The total average operating cost was \$4.662 for each ton of rock milled or \$90.82 for each ton of zinc and lead concentrates recovered.

The Ritz property operated under the Over-Quota production plan established by the War Production Board and later administered by the Civilian Production Administration until June 30, 1947 at which time all subsidies were removed on Over-Quota production of zinc and lead concentrates.

On December 31, 1946, the Ritz Unit had no concentrates in bins. During the year 1947, 1578.182

tons of zinc concentrates and 346.802 tons of lead concentrates were sold. An average gross price per ton (2000 pounds) of \$65.98 for zinc concentrates and \$178.89 for lead concentrates was obtained, or an average of \$86.32 per ton of zinc and lead concentrates. On December 31, 1947, this Unit had no concentrates in the bins.

Premiums for Over-Quota production of zinc and lead concentrates for the year 1947 averaged \$38.64 per ton of zinc concentrates and \$1.57 per ton of lead concentrates or an average of \$31.96 per ton of zinc and lead concentrates.

The average gross amount received per ton of zinc and lead concentrates, including premiums for Over-Quota production was \$118.28. The average royalty paid on zinc and lead concentrates sold and shipped was \$11.71 per ton. Royalty being paid only on sales of concentrates and premiums received equivalent to "A" Quota only.

During the year, \$10,505.90 was spent for operating development. This was an expenditure of \$.281 for each ton of rock mined and \$5.45 for each ton of concentrates recovered. During the year 1431 feet of surface churn drilling was completed. \$9,827.93 was spent for churn drilling and developing an upper ore body located in the Northwestern part of the 60 acre

Ritz Tract. \$7,890.00 of this expenditure was returned to the Company by Exploration Premiums paid by the Federal Government. This ore body occurred about 100 feet above the present mine level in this area.

At the beginning of the year, the probable ore reserve at prevailing prices was 1500 tons of zinc and lead concentrates. At the close of operations as at October 10, 1947, the proven and possible ore reserve on the Ritz Tract on which an operating profit could have been made as of October, November and December, 1947 was nil. During the year 1,924.984 tons of zinc and lead concentrates were produced.

During 1947, the Ritz Unit operating expenditure for labor and liability insurance was \$81,040.16; for items other than labor was \$50,949.10 or a total of \$174,778.31.

The total operating mine profit, Joplin Office, for the year 1947 at the Ritz Unit was \$30,357.75 based on actual sales of concentrates sold and loaded during the year. Miscellaneous other income during the operating period was \$554.01. Income from Sub-Lessee operations on the mill site clean-up was \$2,277.64. The re-treatment of Ritz tailings by the Big Chief Tailing Mill failed to show any profit.

Mine Suspension expense after closing the Ritz property October 10, 1947, was \$3,466.34 which included all expense of removing all material and equipment from the mine, cleaning and painting it and preparing it for storage and future operations. Miscellaneous other income after the property was shut down was \$1,446.49

**RECORD OF OPERATING RESULTS AT THE RITZ MINE  
FOR THE YEARS 1945, 1946 AND 1947**

	YEAR 1947	YEAR 1946	YEAR 1945
Tons Ore Milled	37582	27314	50891
Tons Concentrates Produced:			
Zinc	1578.182	966.210	1878.610
Lead	346.802	170.305	245.615
Total	1924.984	1136.515	2124.225
% Mill Recovery:			
Zinc	4.20	3.54	3.69
Lead	.92	.82	.48
Total	5.12	4.16	4.17
Operating Income:			
Sales Concentrates	\$166165.77	\$ 64699.33	\$122582.15
Production Premiums	61520.86	89640.79	143966.80
Total	<u>227686.63</u>	<u>154340.12</u>	<u>266548.95</u>
Less - Royalty	<u>22550.57</u>	<u>12138.32</u>	<u>23546.07</u>
Net Value of Production:			
Amount	205136.06	142201.80	243002.88
Per Ton Rock	5.458	5.208	4.775
Per Ton Concentrates	106.57	125.12	114.40
Operating Costs:			
Amount	174778.31	131989.26	171235.72
Per Ton Rock	4.651	4.832	3.365
Per Ton Concentrates	90.80	116.13	80.61
Mine Profit:			
Amount	80357.75	10212.54	71767.16
Per Ton Rock	.807	.374	1.410
Per Ton Concentrates	15.77	8.99	33.79
Miscellaneous Other Income:			
Amount	854.01 <sup>(1)</sup>	416.41	2689.51
Per Ton Rock	.015	.015	.053
Per Ton Concentrates	.29	.36	1.26
Total Operating Profit:			
Amount	30911.76	10628.95	74456.67
Per Ton Rock	.822	.389	1.463
Per Ton Concentrates	16.06	9.35	35.05

NOTE: (1) Does not Include Income from Mill Site Clean-up - \$2277.64.

RITZ            UNIT  
1 9 4 7

RECOMMENDATIONS FOR 1948

It is estimated that if present prices of Labor and Materials will not be greatly increased during 1948, it will be necessary to receive a base price of \$195.50 for 80% lead concentrates and a base price of \$140.00 for 60% zinc concentrates for the Ritz operations to produce a profit of \$10.00 to \$15.00 per ton of concentrates.

SNAPP            UNIT  
1947

This unit consists of the Snapp fee of 55 acres, 15 acres having been acquired by purchase during 1945 for additional lime pond settling area.

The Snapp Mine was not operated during the year 1947 as all known ore reserves which could be mined at a profit had been exhausted during the year 1945. The Snapp Mill was operated continuously during the year, treating ores mined from the Buckingham, Robinson and Gibson Tracts. During the majority of the operating period, the concentrating plant operated 8 hours per day. The days of operation per week varied as to the time required to treat the tonnage mined.

Miscellaneous other income for the year 1947, was \$1,535.64. Of this amount \$1,098.25 was from the cash sale of tailings.

BUCKINGHAM UNIT  
1 9 4 7

This unit consists of the Buckingham Lease 977, Gibson Lease 1001, Robinson Lease 1002, Boyd Lease 1011, Cushman Lease 979, Aylor Lease 1009, Weaver Leases 989 and 992, and Marsh Lease 1013 and contains a total of 692 acres.

All ores produced during 1947 from this unit were mined from the Buckingham Lease 977 and the Gibson et al. Lease 1001 and Robinson Lease 1002, and were transported by truck to the Snapp Mill, a distance of about three miles, where these ores were milled.

These ores were commingled during mining and milling operations, the concentrate production being distributed to land owners in proportion to the tonnage mined from each tract, the same rate of royalty was paid on all leases on which mining was done.

Throughout the year a bonus or incentive wage was paid for tonnage produced in excess of an established base. This arrangement proved to be very successful in maintaining and increasing production per man shift.



BUCKINGHAM TRACT  
1 9 4 7

All the ore produced from the Buckingham, Gibson and Robinson leases was hoisted at Number One shaft on the Buckingham lease, and transported by truck, operating on contract basis, to the Snapp concentrating plant a distance of about three miles where the ore was milled.

The Buckingham Unit operated on a 48-hour week throughout the year.

During 1947, a total rock tonnage of 84,267 tons was hoisted and 84,351 tons were treated in the Snapp concentrating plant. From the tonnage treated, 8,142.460 tons of zinc concentrates and 560.880 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1947 yielded a recovery of 6.10% in the form of zinc concentrates and .66% in the form of lead concentrates giving a combined recovery of 6.76%. The ores mined from the Buckingham Lease, Gibson Lease, and Robinson Lease were commingled as the ores produced were from the same ore body. Of the total ore production from the Buckingham Unit, the Buckingham Tract produced 95.41%, the Robinson Tract produced .43% and the Gibson Tract produced .16%.

There were 244 tons of ore hoisted from the Gibson Lease, from which was recovered 13.790 tons of zinc concentrates and 1.385 tons of lead concentrates. There were 3624 rock tons hoisted from the Robinson Lease 1002 from which was produced 194.715 tons of zinc concentrates, and 21.585 tons of lead concentrates, and 80399 rock tons hoisted from the Buckingham Lease 977, from which was produced 4933.955 tons of zinc concentrates and 537.910 tons of lead concentrates.

During the operating period, 15,562 man shifts were employed in operations, each man shift averaging a production of 5.4 rock tons or the equivalent of .37 tons of zinc and lead concentrates. The average operating cost was \$3.759 for each ton of rock or \$53.46 for each ton of zinc and lead concentrates recovered.

The Buckingham Unit operated under the Over-Quota Production Premium Plan established by the War Production Board and later administered by the Civilian Production Administration until June 30, 1947, at which time all Premium Payments for Over-Quota Production were suspended. Operations for the balance of the year were carried on without the receipt of any Premium Payments.

On December 31, 1947, the Buckingham Unit had no concentrates in the bins, all of the production

for the year 1947 having been sold and loaded. During the year 5142.460 tons of zinc concentrates and 560.880 tons of lead concentrates were sold and loaded from production from the Buckingham Unit. An average gross price per ton (2000 pounds) of \$65.53 for zinc concentrates and \$182.92 for lead concentrates was obtained or an average of \$77.07 per ton. Premiums received for Over-Quota Production from the Buckingham Unit for the year 1947 averaged \$29.04 per ton of zinc concentrates and \$4.19 per ton of lead concentrates or an average of \$26.60 per ton of concentrates. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$103.67. The average royalty paid on zinc and lead concentrates sold and loaded was \$6.27 per ton, royalty being paid on gross sales and the premiums received on the equivalent of "A" Quota Production only.

During the year \$11,783.16 was spent at the Buckingham Unit for operating development and churn drilling. This was an expenditure of \$.140 for each ton of rock mined and \$2.06 for each ton of concentrates recovered. There was 6,954 feet of churn drilling done on the leases in the Buckingham Unit during the year.

At the beginning of the year, the estimated ore reserve on the leases in the Buckingham Unit, based on the prices of concentrates as of January 1, 1947, was 1600 tons of possible zinc and lead concentrates. The estimated ore reserve as of January 1, 1948 was 3000 tons of zinc and lead concentrates, this estimate being based on a base price of \$78.00 per ton of 60% zinc concentrates and a base price of \$195.65 per ton of 80% lead concentrates. This will probably permit mining operations to continue through the first six months of 1948.

During the year 1947 the operating expenditure for labor and liability insurance was \$193,373.35; for items other than labor and liability insurance was \$123,478.65 or a total of \$316,852.00. The total operating mine profit, Joplin Office, for the year 1947 was \$238,697.00 based on actual sales of concentrates sold and loaded during the year. Miscellaneous other income for the year was \$1,224.92.

**RECORD OF OPERATING RESULTS AT THE BUCKINGHAM UNIT  
FOR THE YEARS 1945, 1946 AND 1947**

	YEAR 1947	YEAR 1946	YEAR 1945
Tons Ore Milled	84351	60879	64915
Tons Concentrates Produced:			
Zinc	5142.460	2043.760	2145.490
Lead	560.880	549.625	538.980
Total	5703.340	2593.385	2684.470
% Mill Recovery:			
Zinc	6.10	3.36	3.31
Lead	.66	.57	.52
Total	6.76	3.93	3.83
Operating Income:			
Sales Concentrates	\$439578.47	\$143159.07	\$143500.97
Production Premiums	<u>151721.91</u>	<u>183665.81</u>	<u>129440.36</u>
Total	591500.38	326824.88	272941.33
Less - Royalty	<u>55751.38</u>	<u>15316.33</u>	<u>16522.01</u>
Net Value of Production:			
Amount	535549.00	311508.55	256419.32
Per Ton Rock	6.586	5.117	3.950
Per Ton Concentrates	97.40	130.15	103.21
Operating Costs:			
Amount	316852.00	262631.64	227275.35
Per Ton Rock	3.756	4.314	3.501
Per Ton Concentrates	55.65	109.73	91.48
Mine Profit:			
Amount	238697.00	48876.91	29143.97
Per Ton Rock	2.830	.803	.449
Per Ton Concentrates	41.85	20.42	11.73
Miscellaneous Other Income:			
Amount	1224.92	758.97	327.80
Per Ton Rock	.014	.012	.005
Per Ton Concentrates	.21	.32	.13
Total Operating Profit:			
Amount	239921.92	49635.88	29471.77
Per Ton Rock	2.844	.815	.454
Per Ton Concentrates	42.06	20.74	11.86

BUCKINGHAM UNIT

1 9 4 7

RECOMMENDATIONS FOR 1948

If the present base price of 60% zinc concentrates and the present base price of 80% lead concentrates are maintained during 1948, and there is no great increase in the price of Labor and Materials, then there is probably a sufficient ore reserve to justify continued operations during the first half of 1948.

JASPER                      UNIT  
1 9 4 7

The Jasper Tract is composed of 310 acres located in Jasper County, Missouri, about two miles west of Joplin, and is owned in fee. There is an outstanding royalty interest of 1% held by local parties on 160 acres of this tract. An additional 40 acre tract adjoining the original 270 acre Jasper Tract was purchased in November 1946.

During the period of operations in 1947 a bonus or incentive wage was paid for tonnage produced in excess of an established base. This arrangement proved to be very successful in maintaining and increasing the production per man shift, providing increased ore tonnage to the mill, and increased concentrate tonnage and decreased the overhead cost per ton.

Operations at the Jasper were discontinued August 8, 1947 when it was finally determined that subsidies would not be continued. All underground equipment was taken from the mine and stored on the surface and the mine allowed to fill with water. The Jasper Concentrating Plant and the mining equipment have been kept intact for future operations should sufficient subsidies be granted in the near future.

JASPER                      UNIT  
1947

The Jasper Unit was operated continuously until August 8, 1947. During the operating period, the mine operated two 8-hour shifts and the mill operated three 8-hour shifts per day, on a 48-hour weekly schedule.

The underground drilling was done by Jumbo mounted drills, there being two drills mounted on each Jumbo which was erected on Catapillar Tractors. Each Jumbo was operated by a three-man crew consisting of two drillmen and one helper. All loading of the broken ore was done by electric motor driven 8-drum hoists operating heavy skip drags to steel loading ramps mounted on Catapillar Tractors. Small storage battery locomotives were used in placing the 32" x 32" cans which are mounted on cars for loading. These cans loaded with broken ore were then taken to the hoisting shaft by larger main line storage battery locomotives where they were hoisted by two motor driven hoists operating in one 6' x 14' shaft.

At the Jasper Unit during the year 1947, a total rock tonnage of 226,583 tons was hoisted and 226,658 tons of mine rock were treated in the concen-



trating plant. From the tonnage treated, 3875.595 tons of zinc concentrates and 670.750 tons of lead concentrates were produced. The entire tonnage of rock treated during the year yielded a recovery of 1.71% in the form of zinc concentrates and .30% in the form of lead concentrates giving a combined recovery of 2.01%. During the operating period, 26,187 man shifts were employed in operations, each man shift averaging 8.7 rock tons or the equivalent of .17 tons of zinc and lead concentrates. The total average operating cost was \$2.262 for each ton of rock or \$112.77 for each ton of zinc and lead concentrates recovered.

The Jasper property operated under the Over-Quota Production Premium Plan until June 30, 1947 when the Premium Price Plan was discontinued. Operations from June 30, 1947 to August 8, 1947 were carried on in anticipation of the Premium Price Plan being continued.

On December 31, 1946, the Jasper Unit had no concentrates in the bins. During the year 1947, 3,875.595 tons of zinc concentrates and 670.750 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 pounds) of \$68.01 for zinc concentrates and \$188.75 for lead concentrates was obtained, or an average of \$85.82 per ton. Premiums

received for Over-Quota Production for the year 1947 averaged \$59.36 per ton of zinc concentrates and \$7.10 per ton of lead concentrates or an average of \$51.65 per ton. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$137.47. The average royalty paid on zinc and lead concentrates sold and loaded was \$.63 per ton.

During the year, there was no expenditure for operating development. At the beginning of the year the estimated possible ore reserve at the Jasper Unit, based on the base price of concentrates in effect prior to June 30, 1947 was 16000 tons of possible zinc and lead concentrates. The estimated ore reserve as of December 31, 1947, based on base price of concentrates and quota allowances as of June 30, 1947, was about 17000 tons of zinc and lead concentrates. During the year 4,546.345 tons of zinc and lead concentrates were produced.

During 1947, at the Jasper Unit the operating expenditure for labor and liability insurance was \$317,494.49; for items other than labor and liability insurance was \$195,248.59 or a total of \$512,743.08.

The total operating mine profit for the year, Joplin Office, was \$109,359.96 based on concentrates sold and loaded during the year. Miscellaneous other income during the operating period, was \$2,893.81. In addition to this amount \$7,179.56 was received from the sale of tailings produced from the milling of the Jasper Ore.

Mine Suspension expense after the Jasper Property was shut down August 8, 1947 was \$12,112.34 which included the cost of removing all operating equipment from the mine and cleaning and preparing it for storage and for future operations. Miscellaneous other income after the property was shut down was \$2,265.27.

**RECORD OF OPERATING RESULTS AT THE JASPER UNIT  
FOR THE YEARS 1945, 1946 AND 1947**

	YEAR 1947	YEAR 1946	YEAR 1945
Tons Ore Milled	226658	303829	210897
Tons Concentrates Produced:			
Zinc	3875.595	3938.935	2502.860
Lead	870.750	1527.490	1338.505
Total	4546.345	5466.425	3841.365
% Mill Recovery:			
Zinc	1.71	1.30	1.19
Lead	.30	.50	.63
Total	2.01	1.80	1.82
Operating Income:			
Sales Concentrates	\$590179.59	\$365164.71	\$245965.65
Production Premiums	234800.98	485666.47	338573.33
Total	824980.57	850831.18	584538.98
Less - Royalty	2877.33	3586.89	2459.66
Net Value of Production:			
Amount	822103.04	847244.29	582079.32
Per Ton Rock	2.745	2.788	2.760
Per Ton Concentrates	136.84	154.99	151.52
Operating Costs:			
Amount	512743.08	690747.73	511834.87
Per Ton Rock	2.262	2.273	2.427
Per Ton Concentrates	112.78	126.36	133.24
Mine Profit:			
Amount	109359.96	156496.56	70244.45
Per Ton Rock	.483	.515	.333
Per Ton Concentrates	24.06	28.63	18.28
Miscellaneous Other Income:			
Amount	10073.37 <sup>(1)</sup>	10096.08 <sup>(2)</sup>	10605.28 <sup>(3)</sup>
Per Ton Rock	.044	.033	.050
Per Ton Concentrates	2.21	1.84	2.76
Total Operating Profit:			
Amount	119433.33	166592.64	80849.73
Per Ton Rock	.527	.548	.383
Per Ton Concentrates	26.27	30.47	21.04

NOTE: (1) Includes Income from Sale of Tailings - \$7179.56

(2) Includes Income from Sale of Tailings - \$7406.71

(3) Includes Income from Sale of Tailings - \$6703.00

JASPER            UNIT  
1947

RECOMMENDATIONS FOR 1948

It is estimated that if present prices of Labor and Materials will not be greatly increased during 1948, it will be necessary to receive a base price of \$195.50 for 80% lead concentrates and a base price of \$120.00 for 60% zinc concentrates for the Jasper operations to produce a profit of \$10.00 to \$15.00 per ton of concentrates.

DARDENNE      UNIT  
1 9 4 7

Arrangements will soon be made to transfer all the interest we now hold in this forty acre tract which consists of the lifetime interest of Abram Dardenne, back to him.

There has been no ore produced from this tract for several years and we consider it of no value from a mining standpoint.

## **GENERAL**

During the year 1947, production was maintained from the Ritz, Jasper and Buckingham Units, as follows:

Ritz - The mine operated continuously from January 1, until October 10, 1947 when the mine was closed down because further operations could not show a profit due to the low grade ore and small tonnage available and present price of zinc and lead concentrates. Operations had continued since June 30 without the benefit of Over-Quota Production Premiums. The ore from the mine was treated at the Central Mill of the Eagle Picher Mining and Smelting Company under a special milling contract.

Jasper - Operated continuously from January 1, until August 9, 1947, when it was finally determined that the Premium Plan would not be continued and operations could no longer be continued at a profit.

All equipment was removed from the mine which was allowed to fill with water. The concentrating plant, buildings and equipment have been kept intact for future operations

21

should sufficient subsidies be placed on lead and zinc.

Snapp Mill and Buckingham Mines - The Snapp Mill operated throughout the year 1947 and treated ore produced from the Buckingham, Gibson and Robinson Tracts, the ore being hoisted through shafts located on the Buckingham land. The ore faces continued to be low and narrow throughout most of the year although an increase of 20% per man shift was had over 1946 operations.

Throughout the year a bonus system providing for the payment of a bonus for production over a base tonnage was in effect, which proved very successful in increasing the tons per man shift and total tons mined.

The following data shows comparable cost and production figures of the Ritz, Jasper, Snapp and Buckingham yearly operations.



**OPERATIONS - YEAR 1947**

	RITZ UNIT	SNAPP UNIT	BUCKINGHAM UNIT	JASPER UNIT	TOTAL
Tons Ore Milled	37582	0	84351	226658	348591
Tons Concentrates Produced:					
Zinc	1578.182	0	5142.460	3875.595	10596.237
Lead	346.802	0	560.880	670.750	1578.432
Total	1924.984	0	5703.340	4546.345	12174.669
% Mill Recovery:					
Zinc	4.20	0	6.10	1.71	3.04
Lead	.92	0	.66	.30	.45
Total	5.12	0	6.76	2.01	3.49
Operating Income:					
Sale of Concentrates	\$166165.77	0	\$439578.47	\$390179.59	\$995923.83
Production Premiums	61520.86	0	151721.91	234800.98	448043.75
Total	227686.63	0	591300.38	624980.57	1443967.58
Less - Royalty	22550.57	0	35751.38	2877.53	61179.48
Net Value of Production:					
Amount	205136.06	0	555549.00	622103.04	1382788.10
Per Ton Rock	5.458	0	6.586	2.745	3.967
Per Ton Concentrates	106.57	0	97.40	136.84	113.58
Operating Costs:					
Amount	174778.31	0	316852.00	512743.08	1004373.39
Per Ton Rock	4.651	0	3.756	2.262	2.881
Per Ton Concentrates	90.80	0	55.55	112.78	82.50
Mine Profit:					
Amount	30357.75	0	238697.00	109359.96	378414.71
Per Ton Rock	.807	0	2.830	.483	1.086
Per Ton Concentrates	15.77	0	41.85	24.06	31.08
Miscellaneous Other Income	2831.65	1635.64	1224.92	10073.37	15665.58
Total Operating Profit	33189.40	1535.64	239921.92	119433.33	394080.29

**EMPLOYER'S LIABILITY INSURANCE**

**EMPLOYER'S        LIABILITY**  
**1 9 4 7**

During the year 1947, the Kansas Explorations, Inc., carried its own Liability Insurance. A total of 43 lost time accidents occurred during the year, resulting in a total of 1046 shifts lost, averaging 24.3 shifts lost per accident and 20.8 shifts lost per 1000 man shifts worked.

The following table shows results of operating as self-insurer during the year 1947:

Amount credited to Reserve Account during 1947 -	\$35,047.55
Cost of 1947 accidents, during the year -	14,661.48
Cost during 1947 of injuries which occurred prior to 1947 -	14,454.67
Estimated Liability of unsettled injury claims -	19,888.00

If only 1947 accidents are considered, the shifts lost per 1000 shifts worked was 20.8, but considering shifts lost from 1947 accidents and shifts lost from prior accidents together, the shifts lost per 1000 shifts worked was 23.64. The total shifts lost during 1947 account of injuries was 1184.

LAW            SUITS  
1947  
(Industrial Disease)

During the year 1947, seven suits were filed in the District Court in Jasper County, Missouri, against the Kansas Explorations, Inc., by former employees, for alleged damages due them on account of contracting occupational disease (silicosis) while in their employ.

During 1947, compromise settlements were made on 16 cases, at a cost of \$22,427.58. The majority of these cases were filed prior to 1947. Estimated cost of unsettled silicosis cases as of December 31, 1947 is \$21,000.00.

The period of time these men had been working in mines in this district varied from 15 years to 3 years, and the period of time they were in the employ of the Kansas Explorations, Inc., varied from 3 years to 5 years.

Following is a record of the yearly cost of settlement of these cases:

Year 1940	\$ 400.00
Year 1941	0.
Year 1942	1601.30
Year 1943	115.00
Year 1944	9766.13
Year 1945	15132.27
Year 1946	9495.44
Year 1947	<u>22427.58</u>
Total	\$58937.72

The distribution of the cost of settling these claims are chargeable to the following operations:

Jarrett Mine	\$ 515.00
Ritz Mine	44033.02
Buckingham Mine	7315.00
Jasper Mine	<u>7074.70</u>
Total	\$58937.72

The funds for settling these cases was paid out of the Reserve for Injury Claims account.

Total expended from the Reserve Account on both Injury and Silicosis claims during the year was \$51,543.73.

Balance in the Reserve Account at 12/31/47 -	\$16,971.04
Balance in the Reserve Account at 12/31/46 -	<u>33,467.22</u>
Decrease in the Balance -	\$16,496.18

Throughout the operations of the Company no charges to operations nor credits to the Reserve Account have been made for the liabilities which might result from occupational disease.

During the period of the late war there was a great shortage of man power, and all operations in the Tri-State District were forced to employ a class of labor that they would not have used during normal times. This was one of the contributing factors causing increase of settling industrial disease claims; also the Union and Union attorneys gave much encouragement in the filing of these suits.

LAW            SUITS  
1947  
(Portal to Portal)

During the year 1947, a portion of the "Portal to Portal" suit was amended and was joined by the names of about 125 former employees.

A number of motions were filed by our attorney in the District Federal Court but as of December 31, 1947, no action has been taken by the court.

It is our understanding that none of the suits filed against employers in this district have progressed any farther than the suit brought against the Kansas Explorations, Inc.

The majority of the employers in this district are very optimistic as to the final outcome of these suits.

**GENERAL EXPENDITURES**  
**1 9 4 7**

	AMOUNT	PERCENT OF TOTAL
Lease Rentals	\$ 272.00	.02
Capital Expenditures	0.	0.
Total	<u>\$ 272.00</u>	<u>.02</u>
 Mining and Milling Costs	 \$1004414.78	 92.88
Mine Suspension Expense	15578.68	1.44
Royalties	61179.48	5.66
 GRAND TOTAL	 <u>\$1081444.94</u>	 <u>100.00</u>

**CURRENT ASSETS AND CURRENT LIABILITIES**  
as at December 31, 1947

At the close of the year 1947, Current Assets  
were as follows:

Customers' Accounts Receivable:		
American Zinc, Lead & Smelting Co.		\$10776.34
Customers' Accounts Receivable - Miscellaneous:		
Diplomat Gravel Company	\$ 96.30	
Tri-State Materials Co.	<u>32.00</u>	
Total		128.30
Other Accounts Receivable:		
Rosenbergs Scrap Material Co.	125.38	
O. L. Dutton, Contractor	187.00	
Ingersoll Rand Company	<u>1619.50</u>	
Total		1931.88
Warehouse Stocks - Ritz		99.18
Warehouse Stocks - Snapp		2845.10
Warehouse Stocks - Jasper		240.00
Sheepranch Warehouse Stock - Snapp		1846.79
Sheepranch Warehouse Stock - Jasper		2620.82
"Block P" Warehouse Stock - Snapp		1895.14
"Block P" Warehouse Stock - Jasper		562.96
Total		<u>22946.51</u>

At the close of the year 1947, Current Liabilities  
were as follows:

Accrued Accounts Payable	703.31	
Vouchers Payable	13478.44	
Unpresented Treasury Drafts	2108.87	
Unpresented Salary Drafts	1930.83	
Unpresented Payroll Drafts	4126.75	
Accrued Wages	1403.45	
Unclaimed Wages	5789.23	
Accrued Unemployment Insurance Taxes	1994.24	
Accrued and Collected Old Age Benefit Taxes	737.72	
Accrued Taxes	44.84	
Accrued Royalties	2962.85	
Accrued Charges on Premiums as Self-Insurer	<u>564.55</u>	
Total Current Liabilities		35845.08



**MISCELLANEOUS INCOME**  
**1947**

Income for the Year 1947, other than from  
Concentrate Sales, consisted of the following:

Discount on Purchases - Ritz	\$ 246.26
Discount on Purchases - Buckingham	503.51
Discount on Purchases - Gibson	1.28
Discount on Purchases - Robinson	17.35
Discount on Purchases - Jasper	1519.62
Miscellaneous Other Income - Ritz	1754.24
Miscellaneous Other Income - Snapp	1535.64
Miscellaneous Other Income - Buckingham	702.78
Miscellaneous Other Income - Jasper	3839.46
Income from Sale of Tailings - Jasper	7179.69
Income from Sale of Sub Lessee Lead - Ritz	467.69
Income from Sale of Sub Lessee Zinc - Ritz	1809.95
Total	<u>\$19377.34</u>